Carleton University
Department of Economics

International Monetary Problems
ECON 3602
2018 Late Summer (July-August)

Instructor: Rashid Nikzad

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Time: Tuesdays and Thursdays, 18:05–20:55
Classroom: 403 Southam Hall

Office hours: Thursdays, 21:00–22:00, or by appointment
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Course Description

This course is an introduction to open economy macroeconomics and international finance. The main objective of the course is to develop simple macroeconomic models of open economies that can be usefully applied to international economic issues. The course covers concepts such as the nominal exchange rate, balance of payments, the current and capital accounts, the determination of exchange rates, the effect of fiscal and monetary policies under different exchange rate regimes, balance of payment crisis, international macroeconomic dependence, financial globalization and the international monetary system.

Prerequisite: ECON 1000 or FYSM 1003 (Introduction to Economics) with a minimum grade of D–. Students who believe they have taken a similar background course or courses from another university must provide appropriate documentation to the Department of Economics Undergraduate Administrator.

Preclusions: Credit will not be given if taken concurrently with or after ECON 4602 (International Monetary Theory and Policy). Precludes additional credit for ECON 3600 (Introduction to International Economics).

Required Textbook


Lecture notes, problem sets, announcements, due dates and other information will be posted on cuLearn. Students are responsible for regularly checking cuLearn to ensure that have access to posted documents and that they are up to date with any announcements.
**Course Structure** - The following chapters of the textbook will be covered:

- Chapter 1- The Global Macroeconomy
- Chapter 2- Introduction to Exchange Rates and the Foreign Exchange Market
- Chapter 3- Exchange Rates I: The Monetary Approach in the Long Run
- Chapter 4- Exchange Rates II: The Asset Approach in the Short Run
- Chapter 5- National and International Accounts: Income, Wealth, and the Balance of Payments
- Chapter 6- Balance of Payments I: The Gains from Financial Globalization
- Chapter 7- The Balance of Payment II: Output, Exchange Rates, and Macroeconomic Policies in the Short Run
- Chapter 8- Fixed Versus Floating: International Monetary Experience
- Chapter 9- Exchange Rate Crises: How Pegs Work and How They Break
- Chapter 10- The Euro

Disclaimer: Please note that modifications/additions may be made to the list of readings. Any such modifications will be announced in a timely fashion in class. Please check the updated weekly schedule at cuLearn.

**Course Evaluation**

- Assignment 1: 10% (July 24)
- Assignment 2: 10% (August 14)
- Midterm Exam: 35% (July 26)
- Final Exam: 45% (During the exam period as scheduled by the university)

The assignments will consist of several questions and problems. The assignments must be submitted in person at the beginning of the lecture on the due date. Late assignments will not be accepted and will receive a grade of zero.

Students will receive a grade of zero if they miss the midterm exam unless they provide a compelling reason (doctor note, etc.) If the compelling reason is accepted the weight of the midterm will be transferred to the final exam so that the weight of the midterm and final exam become 0% and 80% respectively. No deferred midterm will be offered.

**University Policies**

**Academic Integrity:** Please be aware that all work submitted as requirements of this course must be both your own work and original to this course. Students should consult Section 14 of the Faculty of Graduate Studies Calendar, General Regulations concerning academic integrity and instructional offences.

**Plagiarism:** Please be aware that plagiarism is serious offence at Carleton and should be recognized and avoided. For information on how to do so, please see “Pammett on Plagiarism and Paraphrasing” at carleton.ca/economics/courses/writing-preliminaries.
Course grades: Note that no course grades are final until approved by the Faculty Dean. Note also that course grades may be scaled upwards or downwards in a rank-preserving manner to better fit the relevant departmental distributional norm.

Final exam: Failure to write the final examination when the student has achieved satisfactory performance during the term will result in a grade of ‘F’ until an appeal to write the deferred final exam is granted. A change of grade will be submitted when the deferred final exam has been written and the marks are available. See Academic Regulation 2.3 for the official meanings of the grades. Application to write a deferred final examination must be made at the Registrar’s Office in writing no later than three working days after the original final examination.

Academic Accommodation: You may need special arrangements to meet your academic obligations during the term. For an accommodation request the processes are as follows:

Pregnancy obligation: write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details visit the Equity Services website: www.carleton.ca/equity/

Religious obligation: write to me with any requests for academic accommodation during the first two weeks of class, or as soon as possible after the need for accommodation is known to exist. For more details visit the Equity Services website: www.carleton.ca/equity/

Academic Accommodations for Students with Disabilities: The Paul Menton Centre for Students with Disabilities (PMC) provides services to students with Learning Disabilities (LD), psychiatric/mental health disabilities, Attention Deficit Hyperactivity Disorder (ADHD), Autism Spectrum Disorders (ASD), chronic medical conditions, and impairments in mobility, hearing, and vision. If you have a disability requiring academic accommodations in this course, please contact PMC at 613-520-6608 or pmc@carleton.ca. After requesting accommodation from PMC, meet with me to ensure accommodation arrangements are made. Please consult the PMC website for the deadline to request accommodations for the formally-scheduled exam (if applicable).